

**ORIGINAL**

**NEW APPLICATION**



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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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AZ CORP COMMISSION  
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Arizona Corporation Commission

**DOCKETED**

**DEC 16 2014**

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IN THE MATTER OF APPLICATION )  
OF GRANITE TELECOMMUNICATIONS, )  
LLC FOR RECISSION OF )  
BOND REQUIREMENT CONTAINED IN )  
ARIZONA CORPORATION COMMISSION )  
DECISION NO. 66838 )

Docket No. T-04208A-14-0410

**APPLICATION TO  
RESCIND BOND REQUIREMENT**

Granite Telecommunications, LLC ("Granite" or "Applicant") hereby requests rescission of the \$100,000.00 bond requirement ordered in Arizona Corporation Commission ("Commission") Decision No. 66838. In the more than ten years since Granite's certificate of public convenience and necessity was granted, Granite has emerged as one of the largest competitive local exchange and interexchange carriers in the U.S. The Company's financial viability, good standing, and longevity warrant rescission of the bond requirement and return of the bond, consistent with recent Commission grants of similar requests. In support of its Application, Granite states as follows.

1. Granite is a foreign limited liability corporation organized under the laws of the State of Delaware on April 1, 2002. Granite was authorized to provide competitive facilities-

based local exchange, non-facilities-based resold interexchange telecommunications services in Arizona in Decision No. 66838 on January 20, 2004.<sup>1</sup>

The business address for Granite's corporate headquarters is

Granite Telecommunications, LLC  
100 Newport Avenue Extension  
Quincy, MA 02171

Granite does not maintain offices or equipment in the State of Arizona.

2. Granite is currently authorized to transact business and to provide local exchange and interexchange telecommunications services in Arizona and in all U.S. states with the exception of Alaska, and with the District of Columbia. The Company provides its services exclusively to commercial enterprise and government entities. In 2014, Granite realized annual operating revenues of more than \$1B. The Company does not collect deposits or advanced payments.

3. Granite was granted a certificate of convenience and necessity to provide competitive facilities-based local exchange, non-facilities-based interexchange telecommunications services by the Commission in Decision No. 66838. As a condition of approval, the Commission required Granite to procure a performance bond in the amount of \$100,000. Granite filed its initial \$100,000 performance bond prior to initiation of service and subsequently renewed that bond in March 2012.<sup>2</sup> The current bond remains in effect.

4. Granite has complied with all Commission requirements, including all of Staff recommendations that the Commission adopted in Decision No. 66838, as set forth in Findings of Fact Nos. 13 and 15<sup>3</sup> and as adopted by the Commission in that order. Further, Granite has complied with all applicable Commission rules, regulations and orders for more than ten (10) years. There are currently no active formal complaints against Granite.

5. The Commission recently, in appropriate circumstances, has not required a

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<sup>1</sup> Docket No. T-04208A-03-0688.

<sup>2</sup> Bond No. 105728343. Current bond effective March 30, 2012.

<sup>3</sup> Findings of Fact paragraph 14 was excluded in Decision No. 66838.

performance bond or has been relieving competitive local exchange carriers (“CLECs”) of the performance bond requirement. Granite believes that maintaining a performance bond in the amount of \$100,000 is no longer necessary as the Company poses no risk to the Public in Arizona or elsewhere. Granite believes it has proven its financial, technical and managerial ability to provide services in Arizona. Granite is a major nationwide telecommunications service provider. Granite does not collect any deposits or advance payments. Rescinding Granite’s performance bond requirement will not alter rates, terms or conditions of service to Granite customers and will not otherwise adversely impact service.

6. Rescission of the bond requirement will also would put Granite at regulatory parity with other CLECs currently operating in Arizona, as well as with incumbent local exchange carriers such as Qwest Corporation, Inc. dba CenturyLink.

7. The Commission’s Competitive Telecommunications Services Rules – A.A.C. 14-2-1101 through 14-2-1115, do not require that Granite maintain a performance bond as a condition of providing service in Arizona. Specifically, A.A.C. R14-2-1105(D) states that the Commission “*may* require, as a precondition to certification, the procurement of a performance bond sufficient to cover any advances or deposits the telecommunications company may collect from its customers, or order that such advances or deposits be held in escrow or trust.” In other words, the Commission has the authority and the discretion to determine whether a performance bond is still appropriate for Granite. Because of the circumstances described in the previous paragraphs, Granite believes the \$100,000 performance bond requirement should now be rescinded.

8. Upon cancellation of its bond requirement, Granite requests that the Commission return the Granite bond in the Commission’s possession to:

Ms. Bobbi-Sue Doyle Hazard  
Regulatory Counsel  
Granite Telecommunications, LLC  
100 Newport Avenue Extension  
Quincy, MA 02171

WHEREFORE, Granite, respectfully requests that the Commission rescind the \$100,000 performance bond requirement for the reasons set forth in this filing.

RESPECTFULLY SUBMITTED this 16<sup>th</sup> day of December, 2014.

**ROSHKA DEWULF & PATTEN, PLC**

By 

Michael W. Patten  
One Arizona Center  
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Attorneys for  
Granite Telecommunications, LLC

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filed this 16<sup>th</sup> day of  
December 2014 with:

Docket Control

ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

By 